

The Honourable J. Frederick Motz
United States District Court for the District of Maryland
101 W. Lombard Street
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Subject: Microsoft Settlement Hearing

Your Honour,

It has been reported that you wish "to hear from everybody" before coming to a decision on whether to proceed with the proposed Microsoft settlement. I thank you for this opportunity to express my views.

It has been established by the courts that Microsoft has acted illegally as a monopolist.

The settlement as proposed is no remedy.

If the settlement requires that Microsoft donate software and hardware to underprivileged schools, then it provides Microsoft with an opportunity to displace other software and hardware manufacturers from the educational market. Such a settlement will paradoxically act to extend the penetration of Microsoft into areas in which chronically it has had a far smaller market share than it desires.

I would suggest that the settlement as proposed is somewhat comparable to penalising an oil monopolist by allowing the monopolist to donate oil products to service stations and other customers which prefer to do business with competitors of the monopolist.

If Microsoft is being penalised by being fined, it seems strange that Microsoft is also being allowed to decide how the fine is to be used, and stranger yet that the company should be placed in a position to indulge in more of the very behaviour that led to its conviction in the first place.

I suggest that a better course of action is to remove Microsoft completely from any involvement in how the fine is to be used.

Could not a trust account be established and an independent authority be empowered to make *untied grants* to appropriate recipients?

(On page two as background material I set out six reasons why Microsoft should not be broken up.)

Thank you for your consideration.

Yours faithfully,



Walter Steensby

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